GCE AS/A LEVEL – NEW

2510U10-1

BUSINESS – AS UNIT 1

BUSINESS OPPORTUNITIES

THURSDAY 18 MAY, 2017 – AFTERNOON

1 hour 15 minutes plus your additional time allowance

Surname _____

Other Names _____

Centre Number _____

Candidate Number 2 _____

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Question	Maximum Mark	Mark Awarded
1(a)	4	
1(b)	6	
2(a)	2	
2(b)	10	
3(a)	6	
3(b)	8	
4(a)	4	
4(b)	7	
4(c)	3	
5.	10	
Total	60	

INSTRUCTIONS TO CANDIDATES

Use black ink, black ball-point pen or your usual method.

Write your name, centre number and candidate number in the spaces provided on the front cover.

Answer ALL the questions.

Write your answers in the spaces provided in this booklet. If you run out of space, use the continuation pages at the back of the booklet, taking care to number the question(s) correctly.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets at the end of each question or part-question.

You are reminded of the need for good English and orderly, clear presentation in your answers.

Answer ALL the questions in the spaces provided.

1. Britain has hit a record number of start-up businesses as more aspiring entrepreneurs take the plunge – more than 600,000 new businesses were set to launch in 2016, according to StartUp Britain, a government-backed national enterprise campaign.

(a) Describe TWO roles undertaken by an entrepreneur. [4]

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1(a) 2. _____

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1(b) Explain THREE characteristics that entrepreneurs are likely to possess in order to help them succeed. [6]

2. Table 1

Year	Number of new businesses registered with Companies House (UK)
2014	581 173
2013	526 446
2012	484 224

Source: StartUp Britain.

The ‘StartUp Britain’ tour visits 25 locations across England, Wales and Scotland. A high percentage of new businesses fail within the first twelve months, so those entrepreneurs who attend the StartUp events will get lessons in how to avoid the common errors that so many new businesses make. One of the most common errors is a failure to undertake sufficient market research – both primary and secondary.

2(a) With reference to Table 1, calculate the percentage increase in the number of new start- up businesses registered with Companies House (UK) between 2012 and 2014. [2]
(SHOW YOUR WORKINGS.)

2(b) Evaluate the view that, for new start-up enterprises, undertaking primary market research is far more beneficial than undertaking secondary market research. [10]

3. Greenstream Flooring is a SOCIAL ENTERPRISE based in the South Wales Valleys. It started in 2008 to provide an alternative to sending used carpet tiles to landfill. It recycles carpet tiles received from major national PUBLIC LIMITED COMPANIES (PLCs) across the UK. Once the carpet tiles reach their warehouse they are sorted according to condition and re-sold to private and commercial customers. In 2014 Greenstream Flooring diverted over 85,000 m2 of carpet tiles from landfill, the equivalent of more than 12 football pitches.

   In addition to recycling, Greenstream Flooring supplies and fits reclaimed carpet tiles and other flooring to, amongst others, local social housing tenants; providing warmth and comfort that carpeting can give to people that couldn't otherwise afford it.

   The organisation also undertakes the training and employment of long-term unemployed/disadvantaged people in carpet related and warehousing skills. Ellen Petts, social entrepreneur and founder of Greenstream Flooring comments: "We are pleased at being able to give the chance of training and employment to people that might otherwise get left behind. We are particularly proud of our work within the prison service to give work related skills in carpeting and warehousing to help in some small way to prevent re-offending."

   Source: www.findcarpettiles.co.uk

3(a) With the use of examples from the text, analyse why Greenstream Flooring may be regarded as a SOCIAL ENTERPRISE. [6]

3(b) To what extent might the aims of a social enterprise, such as Greenstream Flooring, differ from those of PUBLIC LIMITED COMPANIES (PLCs)? [8]

4. Close friends, Josie and Helen, made clothes for their young children as a hobby. Following comments from a number of people about the excellent quality of their work they decided to start a small business to earn some extra money.

The item that seemed to have attracted the most attention was the ‘onesies’ that they had made. Consequently they decided to initially focus on making this product in three sizes for children in the 3-6 age range. To start the business they invested in two new electric sewing machines, each costing £220.

They estimated that fabric and materials would cost £6.50 per item and their labour/sewing would amount to £10.00 per item. Packaging would cost an extra £0.50 per ‘onesie’.

To sell the ‘onesies’ they decided to rent a stall every Sunday at a popular street market in Cardiff. This would cost £520 for the year. They estimated that they would be able to sell 500 at a price of £25 each in their first year of trading.

4(a) Using examples from Josie and Helen's business, distinguish between fixed and variable costs. [4]

4(b) Calculate the profit that Josie and Helen hope to make during their first year of trading. (SHOW YOUR WORKINGS.) [7]

4(c) How many ‘onesies’ do they need to sell in order to break even? [3]

5. Jake and Ceri are a young married couple, who have both worked as full-time stylists for a major national hairdressing chain in the centre of Wrexham, a large town in North Wales. They have two children, aged five and three and the cost of nursery and child-minding is a significant expense. They believe that they could earn far more if they set up their own salon and that many of the customers they regularly deal with would follow them to their new business.

Ceri's aunt had run a small ladies dress shop on the local high street very close to where they live, some three miles outside the centre of Wrexham. Competition from the Internet meant that she could no longer make a profit and Ceri planned to ask her if she would be willing to rent them the premises to start their own hairdressing business.

Jake was not in favour of this and was keen to try and rent the premises of a recently closed down hairdressers right in the centre of Wrexham. All the fixtures and fittings were in place but it was in need of redecorating. Having discussed at length what they should do, Jake commented to Ceri: '**A town centre location for a business such as ours is bound to give us a greater chance of success.** We need to act quickly or the opportunity will be gone'.

5. **To what extent do you agree with Jake's comment that…. 'A town centre location, for a business such as ours, is bound to give us a greater chance of success'? [10]**

END OF PAPER

Question number	Additional page, if required. Write the question numbers in the left-hand margin.

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